KATALYST ADVISORS

FROM FOUNDER TO FRAMEWORK · PART 10

Governance Begins Before the First Draft.

The Conversations That Must Happen

What the Family Settles Before Anything Is Drafted

Questions | Forums | Readiness

The Questions
Five Conversations Before Drafting

The Room
Who Is Heard, and Where

The Answer
Principles Before Documents

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01
THE INSTINCT

Drafting First Crystallises the Disagreement

Positions Harden

Clauses meant as technical provisions become contested, because they carry unstated views on authority and fairness.

Agreed, Not Understood

A board, reserved matter or deadlock clause is invoked years later, and the family finds it agreed to something it never engaged with.

Temporary Alignment

A provision that suited the family at signing becomes contested once a role, a result or a relationship changes.

Tactical Compliance

A branch that signed under pressure, to save the exercise, never accepted the clause and contests it when it can.

Legitimacy Cannot Be Drafted

Documents can codify authority and allocate rights, but they cannot reconcile expectations that the family has never articulated.

02

THE CONVERSATIONS

Five Questions Asked Before Anything Is Drafted

Identity of the Enterprise

WHAT IT IS FOR

An operating institution or a wealth platform. The unstated answer surfaces when reinvestment competes with distribution.

Leadership

MERIT OR LINEAGE

The eldest son once led by default. Settled early, the question does not first arise when the founder is ill and each branch has a candidate.

Participation

ENTITLEMENT

Inherited shares are equated with a voice, and a voice with entitlement. Left unaddressed, the resentment predates any instrument.

Liquidity

DIVERGENCE

A working branch and a branch of passive investors want different dividends, and the gap surfaces at the first large capital decision.

The Terms of Exit

For a cousin with no role and no voice, liquidity is a rational choice.
Exit designed in advance does far less damage than exit in a dispute.

03
THE ROOM

Everyone Whose Life It Shapes Is Heard

When the Founder Is Present

THE PATRIARCH

Others defer, and dialogue becomes a briefing. Forums may begin without him, or with a role that bars unilateral direction.

Daughters and Daughters-in-Law

OFTEN UNHEARD

Excluded members keep their interest but lose their investment in the process, and honour its outcomes with less fidelity.

Non-Operating Branches

A DIFFERENT VIEW

They see capital allocation differently from the branch that runs the business, and an agreement that treats them alike will not hold.

Individual Before Collective

Each member is first heard alone: what they contributed, what they believe they are owed, and what they would regard as a betrayal.

04
FORUMS

Conversations Need a Place to Happen

A GOVERNANCE FORUM

An agenda, however informal, and the people whose views are relevant, with room for every participant to speak.

Held regularly enough that its absence would be noticed, so that difficult questions arise in the ordinary course.

Its purpose is to surface expectations, not to take binding decisions.

HOW FORUMS FAIL

Capture: the operating members present performance, and the others receive information without shaping it.

Symbolic scheduling: one meeting a year, with a celebratory agenda that steers clear of discomfort.

Either way, the family has a forum but no capacity to govern.

From Conversation to Principle

A working forum yields shared principles that most members would describe in the same terms if each were asked separately.

05
READINESS

When the Family Is Ready to Draft

A Shared Purpose

IDENTITY

The family can describe, in consistent terms, what the enterprise is for and what it is not.

Positions Heard

ADJUSTMENT

The significant members have heard one another on the major questions and adjusted their own expectations.

No One Left Out

INCLUSION

No major interest, whether a daughter, a spouse or a passive branch, has been kept out of the conversation.

Principles That Bind

COMMITMENT

Senior members accept principles that will at times constrain their own preferences, because continuity depends on it.

The Sequencing Principle

Dialogue, then principles, then constitutional thinking, and only then the legal architecture that gives enforceable form to what is agreed.

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The Takeaway

The questions that shape a family's architecture are answered within the family, in forums built for them, before anything is drafted.

Drafting First	Instruments drafted ahead of alignment turn unspoken disagreements into contested clauses.
Five Questions	Identity, leadership, participation, liquidity and exit, asked of everyone the enterprise affects.
Forums	Structured, regular and inclusive, so that dialogue does not depend on the founder in the room.
Readiness	A shared purpose, positions heard, no one left out, and principles that bind their authors.

Legal instruments then give enforceable form to what the family has already agreed. The next question is where those answers should live.

NEXT → The Family Constitution: What It Is and Is Not